

\$12.3 Million in Health Insurance Rebates for Individuals and Small Businesses

Highmark plan participants and groups to receive checks

Insurance Commissioner Trinidad Navarro announced today that Highmark Blue Cross Blue Shield Delaware will issue rebates totaling over \$12.3 million to some Delawareans. Residents who purchase insurance on the Delaware Health Insurance Marketplace, those who purchase Highmark Delaware plans outside of the marketplace, and Highmark small group policyholders may receive rebates as a result of the Medical Loss Ratio (MLR) calculation.

MLR measures an insurer's spending on medical expenses to confirm that at least 80 percent of premiums are being used for policyholders' healthcare and prescription needs. It is an accountability measure included in the Affordable Care Act (ACA) that holds insurers to a strict standard and requires refunds if the threshold is not met. Insurers are not permitted to retain funds above this value for any reason, including to lower premiums for future years, as the policyholders effected may change. MLR is calculated on a three-year average – 2018, 2019, and 2020 were used in this assessment.

"Requiring insurers to meet the MLR ratio is one of the most critical tools the ACA gave us to protect consumers. These guardrails ensure residents and small businesses get the care they pay for, or get their money back – and they're more important now than ever before," explained **Commissioner Navarro**, who pointed to policyholders' decreased and delayed

use of healthcare throughout the pandemic as something likely to necessitate future rebates. "With decreased utilization of health services in 2020 and 2021 factoring into MLR for the next four years, and expected increases of utilization factoring into rates for 2022, this is yet another reminder that COVID will impact all aspects of healthcare, including insurance, for much of the foreseeable future."

20,857 individual policyholders will receive rebates totaling over \$8.4 million, with the average rebate being \$405. This will be the second time in state history that rebates will be distributed to the participants of the individual market, with more than \$12.6 million being sent to over 19,000 residents last year.

Highmark small groups, often small businesses, will receive nearly \$3.9 million in cumulative return. 2,573 groups will receive an average rebate of \$1,514, with 20 groups receiving rebates over \$10,000. Employers can consider using these dollars to enhance benefits, reduce premiums for employees in future policy years, or provide refunds directly to group health plan participants.

Communications will be sent to policyholders in September and checks for both individual policyholders and small groups will be sent the week of September 15. Not every policyholder will receive a rebate. Those in the individual market with rebate questions can contact Highmark at 800-544-6679. Small group employers with rebate questions can contact their insurance producer, or Highmark at 800-241-5704.